

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	October 11, 2010
	Agenda Item No.	24
	Roll Call No.	<u>10-1657</u>
	Communication No.	<u>10-621</u>
	Submitted by:	Tom Turner, Human Resources Director

AGENDA HEADING:

Approve agreement with Wellmark Blue Cross Blue Shield to provide administrative services for the Early Retiree Reinsurance Program (ERRP) through the U.S. Department of Health and Human Services (HHS) and authorize the Mayor to sign agreement.

SYNOPSIS:

Recommend approval of an agreement with Wellmark Blue Cross Blue Shield to provide administrative services for the ERRP through the U.S. Department of HHS and authorizing the Mayor to sign the agreement.

FISCAL IMPACT:

Amount: No additional fees to Wellmark. Reimbursement revenue estimated to be from \$0 to \$500,000 would be deposited in the City’s Health/Dental Insurance account and used to reduce future premiums for retirees and active employees.

Funding Source: Health/Dental Insurance, IS301, HRS960100, FY2010-11 Recommended Operating Budget, page 149.

ADDITIONAL INFORMATION:

At their June 14, 2010 regular meeting, City Council directed staff to submit an application for the ERRP. ERRP was established by the Patient Protection and Affordable Care Act and provides \$5 billion in financial assistance on a first come first serve basis to employers to help maintain coverage for early retirees age 55 and older who are not yet eligible for Medicare. ERRP will reimburse plans for certain claims between \$15,000 and \$90,000. Wellmark estimates that approximately \$500,000 in retiree claims will be eligible for reimbursement.

The City’s application was approved and staff is preparing for the claims submittal stage, which has yet to be released by HHS. This process requires Wellmark to identify eligible claims and then for the City to electronically submit them to HHS. Wellmark has drafted an administrative services agreement that will authorize this exchange of data. It requires Council approval and the Mayor’s signature.

PREVIOUS COUNCIL ACTION(S):

Date: June 14, 2010

Roll Call Number: 10-931

Action: [Application](#) process for Affordable Care Act's Early Retiree Reinsurance Program (ERRP) through the U.S. Department of Health and Human Services (HHS). ([Council Communication No. 10-354](#)) Moved by Hensley to adopt. Motion Carried 7-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Staff will update City Council on status of reimbursements received.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.